

Italy and want to buy a prescription drug from Spain, that is just fine. Parallel trading in pharmaceuticals has occurred for 20 years, and there has been no safety issue.

We had a pharmaceutical company executive named Dr. Peter Rost, the vice president of marketing for a major drug company, who said:

The biggest argument against reimportation is safety. What everyone has conveniently forgotten to tell you is that in Europe, reimportation of drugs has been in place for 20 years.

This is an executive from the drug industry itself.

He said something else that is important:

During my time responsible for a region in northern Europe, I never once—not once—heard the drug industry, regulatory agencies, the government, or anyone else saying that this practice was unsafe.

He is talking about the practice of importing drugs between countries. He goes on to say:

And personally, I think it is outright derogatory to claim that the Americans would not be able to handle reimportation of drugs, when the rest of the educated world can do this.

This is a big issue. This is not a small issue. The price of prescription drugs is on the march upward. Too many Americans cannot afford their medication. It is unfair to have the American people charged the highest prices in the world. We are talking only about importing FDA-approved drugs made in FDA-approved plants, in many cases put in identical bottles, shipped to two different locations. One location is to an American who will pay the highest price, and the other location is to other major countries around the world whose citizens are charged much lower prices.

We think that is unfair. We intend to try to put downward pressure on drug prices in this country by using trade. Let the American people benefit from this kind of trade.

Finally, if people wonder whether the price difference is just with respect to Lipitor, it is not. The unfair price discrepancy is significant for Prevacid, Zocor, Nexium, Zolof—*the list is very substantial.*

For instance, Nexium is advertised a great deal on television. In the United States the price for 90 doses is \$409. The price in Canada is \$239. Or Zocor. A well-known football coach on television tells us how important Zocor is. As an American, he pays \$383 for 90 doses; a Canadian pays 46 percent less. That describes the problem we are trying to correct.

SOCIAL SECURITY

I will mention one additional item today. That is the aggressive debate that is occurring and will continue to occur on the subject of Social Security. There is an array of issues that face this country—some big, some small, some of consequence, some not—and we

tend, from time to time, to treat the serious too lightly and sometimes the light too seriously. But this issue of Social Security is a big issue.

I was reading something the other day about this from a Knight-Ridder column:

The promises of Social Security retirement is a hoax. Taxes paid by workers are wasted by the government rather than prudently invested, and the so-called reserve fund is no reserve at all because it contains nothing but government IOU's.

Was that President Bush speaking? No, no. That was the Republican presidential candidate, Alf Landon, in 1936. In 1936 that was the message by people who never liked Social Security—those who never liked Social Security and fought against it when it was created never really quit.

In 1983, the Cato Institute published a paper that served as the manifesto for turning over some of Social Security to the private sector. It recommended the following: Consistent criticism of Social Security to undermine confidence in it. That was part of the strategy. Consistently criticize Social Security to undermine confidence. Build a coalition of supporters for private accounts, including banks and other financial institutions that would benefit from private accounts.

They have done pretty well. This manifesto going back to Alf Landon, going to the Cato Institute in 1983—constantly criticize Social Security, undermine it, build a coalition of supporters, banks, and others who would benefit from it. They have done pretty well because they now have an administration that says Social Security is in crisis.

It is not, of course. Social Security is a program that has lifted tens of millions of senior citizens out of poverty over many decades.

People are living longer and better lives, so we will have to make some adjustments. It does not require major surgery.

We will have to make some adjustments in Social Security if we do not get the kind of economic growth we had in the last 75 years. If we do get the kind of growth we had in the economy in the last 75 years, Social Security is fine for the next 75 years with no adjustments needed. But if we get only 1.9 percent economic growth, as the Social Security actuaries predict, we will have to make some adjustments—but not major adjustments and not major surgery.

The President and others are using terms such as “broke,” “bankrupt,” “flat busted,” in order to demonstrate that something has to be done with Social Security. Yet he is offering nothing that would address the solvency of Social Security. Nothing. He is proposing, instead, the creation of private accounts using a portion of the Social Security money. Unfortunately, this would increase the problem in Social Security.

We need to have and will have a very aggressive debate about this issue. My feeling is that we ought to do two

things: One, we ought to preserve and protect Social Security. It is a program that has worked, and it continues to work well. It is the bedrock social insurance that the elderly rely upon when they reach retirement age. When they reach this point at which they are no longer working and have diminished income, Social Security is what they can depend on to keep them out of poverty.

Some say: Let's decide to put some of that money in the stock market. Well, I am all for private accounts, but not in the Social Security system. We have 401(k)s, IRAs, pension programs, and Keogh programs. We have done a lot to incentivize private accounts. We now provide about \$140 billion per year in tax incentives to encourage the use of these retirement accounts.

We ought to continue providing these incentives, and even increase them, but not in Social Security. Social Security is not an investment account; it is an insurance account. It has always been an insurance account.

A leading spokesperson on the far right said the following a couple of weeks ago: Social Security is the soft underbelly of the welfare state. Well, if you believe that, then I understand why you do not want Social Security, why you do not like Social Security, why you would like to take it apart. I understand that. I respect that view, even if it is dreadfully wrong. We need to respect different viewpoints. There is no reason for all of us to think the same thing all the time.

Someone once said: When everyone is thinking the same thing, no one is thinking very much. So I understand and respect people with different viewpoints. If you never liked Social Security, if you believe it is part of the welfare state as opposed to an enormously successful social insurance program that has worked for 70 years to lift the elderly out of poverty, if you really believe it is unworthy and you want to take it apart, I understand that. But I do not agree. I believe we need to fight as hard as we can to oppose those who would dismantle Social Security.

It is safe to say that none of the people I have ever heard speak against Social Security will ever need it. None of them will ever need it. Almost all of them speak from a position of financial solvency. In most cases, they have the gift of a very solid financial background. Well, good for them.

But maybe they should understand there are a lot of folks in this country who reach those declining income years and do not have very much. They worked hard and led good lives, but they end up with not very much.

Their aspiration was not to make as much money as they could; it was to serve their community. But they did not end up with very much. The same is true with a lot of people. They live a good life, do good things, help other people, but they do not end up with a lot.

A friend of mine died about 2 months ago. He was an older man. He was close

to 90 years old. He had a great life. He was a wonderful man.

After his funeral, his wife sent me a note. She said, very simply: Oscar always helped his neighbors, and he always looked out for those who were not so well off. That is all she said.

I thought, what a wonderful thing to say about someone's life. He always helped his neighbors and always looked out for those who were not so well off. What a great life. He did not make a lot of money, he did not die with a huge estate, but he had a great life.

So does Social Security—the social insurance program that he and others know will be there when they reach retirement—enrich their lives, make their lives better, allow them to depend on something that will be there? You bet it does. It is important.

I find it interesting that the chant and the mantra in this town, from the White House, yes, and from some of our colleagues, is that the most important thing for us to do is to eliminate the tax on inherited wealth. They say you have to eliminate what they call the death tax. But there is no death tax. That is just something a pollster came up with.

My colleague Phil Gramm from Texas was on the floor once, and I explained to him, were he to die, his wife would own his entire estate, with no tax. So he must be exempt. The fact is, there is no death tax. When one spouse dies, the other spouse has a 100-percent exemption, and they own all those assets.

There is, however, a tax not on death but on inherited wealth, in certain circumstances. So what we have is a proposal to eliminate the tax on inherited wealth, which would largely benefit the folks who have accumulated the most wealth in this country.

We have about half of the world's billionaires living in the United States, and good for us, and good for them. Most of that money accumulated by billionaires is a result of appreciation in stocks, and has never been subjected to a tax.

Our colleagues have created this wonderful little description of the estate tax or the tax on inherited wealth. They have now described it as a death tax. And they are on the floor of the Senate saying that when Donald Trump, for example, passes on and moves to another life, his estate should not be taxed. I would not normally use a name, but Donald Trump is a wonderful and very successful businessman. He likes to have people use his name, so I am sure he will not mind if I use his name.

I think the fight to repeal the tax on inherited wealth is an interesting one. At the very same time, the administration says: We think we are desperately short of money to help pay for the basic Social Security benefits for the low-income elderly who have reached retirement age.

Oh, we have plenty of energy to repeal the tax on inherited wealth for the

richest Americans, but we do not have the will to make sure that Social Security will be there when you retire. I believe it is a matter of values, a matter of choice, and a matter of priorities.

Some will say: Well, if all you are doing is supporting Social Security, you are just old-fashioned. There are some timeless truths in life. It seems to me that standing up for something that has so dramatically improved life in this country is a timeless truth. And it's one that I would like to be a part of.

Before Social Security was enacted, one-half of the elderly in America were poor. They were living in poverty. Today that figure is less than 10 percent. This program is often the only support for those who reach retirement age.

I cannot tell you how many times I have been to meetings when someone has come up to me, at the end of a meeting in North Dakota, very often in a small town—very often a woman living alone—who talks about how important that Social Security check is. They tell me that it determines whether they can buy groceries or pay the rent and have the opportunity to continue to live alone. It is so important and has been such a benefit for so many lives.

Now, I am for change when change advances our interests and lifts our country. I am for private accounts if they are outside of Social Security. I encourage people to provide more for their retirement security by investing more in IRAs and 401(k)s. But I am not for anyone who wants to take apart the basic Social Security program.

One of my colleagues calls this an "evidence-free zone" here in Washington, DC, that despite the evidence, people use whatever rhetoric they want to use. Well the evidence is pretty clear. The President says that if you could take a part of Social Security, invest it in private accounts, you will have this wonderful nirvana with dramatic returns in private accounts, and you will all end up with a lot of money.

The problem is this: The President believes the Social Security system is in crisis because the actuaries in the Social Security program predict that rather than the 3.4-percent economic growth we have had for the past 75 years, we will only have 1.9-percent economic growth in the next 75 years. If you have 1.9-percent economic growth for 75 years, you are not going to get the kind of corporate profits that lift the stock market and provides returns in private accounts.

You cannot have it both ways. Either you have an economy that is robust and growing, in which case you do not have a Social Security funding issue, or you have 1.9-percent economic growth, dramatically below what we have previously experienced, and you cannot possibly get an adequate return in private accounts. You cannot have it both ways. Yet the administration and others continue to argue both sides of that issue.

This is a big issue and important issue. There is plenty of room for disagreement. I believe passionately and strongly in this issue. I believe the Social Security program is not, as those on the far right would say, the soft underbelly of the welfare state. I don't believe that at all.

This is something that has allowed all Americans to contribute from their paychecks something called FICA. The "I" stands for insurance, because this is an insurance program. I believe this has worked well for over 7 decades. And it can and will work well for 10 and 20 decades from now if we have the will and the nerve and the strength to stand up for the foundation of this nation's retirement security system.

We will have aggressive debates in the coming days and weeks. I come from a state that has a lot at stake in this Social Security debate. We have a higher percentage of people aged 85 years and older than any other state. I have previously mentioned my uncle who has been running foot races, has 43 gold medals, running in the Senior Olympics all over the country, who discovered when he was 72 that he could run faster than anybody his age. His experience illustrates the fact that people are living longer, and good for them.

Part of what has enriched their lives is being able to retire knowing that Social Security will be there for them. It is the guarantee and the promise this country has kept and will continue to keep in the future.

I yield the floor.

The PRESIDING OFFICER (Mr. CHAFEE). The Senator from Delaware.

BIPARTISANSHIP

Mr. CARPER. Mr. President, I have just returned to the Senate Chamber from a press conference that took place one floor above us in the press gallery. There Democratic and Republican Senators, some of our staff, and a number of reporters discussed the passage of the class action reform bill by a 72-to-26 margin a few moments ago. That was a strong bipartisan vote. I was hoping that we might get 70, maybe even 75 votes, and we ended up right in that neighborhood.

A lot of people deserve credit for the success of the vote: Democratic and Republican Senators who crafted the legislation, debated it in committee, and who improved it over the last 7 years since the first bill was introduced. The key to getting the legislation passed—and it is a fair compromise—was figuring out how to set aside our partisanship, saying that we are not interested in gridlock, and for us to reach across the aisle, Democrats and Republicans and Republicans and Democrats, to figure out how we can reconcile our differences and resolve what has been a very divisive issue for the past 7 years and even before that.

I said at the press conference—I say here today—my thanks to our leader. I